## **Education Audit Appeals Panel State of California**

Appeal of 2014-15 Audit Findings 2015-033, 2015-045 & 2015-046 by:	EAAP Case No. 17-17	
Inglewood Unified School District,	OAH No. 2017100237	
Appellant.		
Dec	cision	
The Education Audit Appeals Panel has adopted the attached Stipulated Agreement		
of the parties as its Decision in the above-entitled matter.		
Effective date: $\frac{z/z4/zozo}{}$	·	
IT IS SO ORDERED.	h. 1	
	el Montero, Chairperson r Education Audit Appeals Panel	

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 20 21 22	In the Matter of the Audit Appeal of: The 2014-15 Audit Findings 2015-033, 2015-045 and 2015-046 by INGLEWOOD UNIFIED SCHOOL DISTRICT,  Appellant,  v.  CALIFORNIA STATE CONTROLLER,  Respondent,	ON AUDIT APPEALS PANEL E OF CALIFORNIA  OAH No. 2017100237  EAAP Case No. 17-17  STIPULATION AND SETTLEMENT AGREEMENT
22 23	CALIFORNIA DEPARTMENT OF FINANCE,  Intervenor.	
24 25 26 27 28	Appellant Inglewood Unified School District (Appellant), Respondent Betty Yee,  California State Controller's Office (SCO), and Intervenor California Department of Finance	
	SHOLATION	The continuous issues and a partial constant (1)

(Finance) (collectively, the Parties) agree to a complete settlement of the above-captioned matter as follows:

## RECITALS

- A. The SCO conducted an audit of the Appellant for the 2014-15 fiscal year, the results of which were included in the final audit report issued on or about June 30, 2017. The audit report included the Audit Findings noted below.
- B. In Audit Finding 2015-033, the SCO determined that the Appellant misstated average daily attendance (ADA) for the Second Principal Apportionment (P-2) and annual reporting periods, resulting in an overstatement in the amount of apportionment the Appellant claimed from the State in the amount of \$738,179.
- C. In Audit Finding 2015-045, the SCO determined that the Appellant improperly charged non-qualifying expenditures against the Common Core implementation program, resulting in an overstatement in expenditures for the program in the amount of \$11,430.
- D. In Audit Finding 2015-046, the SCO determined that the Appellant did not maintain adequate documentation to support its Local Control Funding Formula unduplicated pupil counts (UPC) of English Learners or pupils reported as eligible for free or reduced-price meals, resulting in an overstatement in the amount of apportionment the Appellant claimed from the State in the amount of \$1,579,088.
- E. Appellant then timely filed a request for formal appeal of Audit Findings 2015-033, 2015-045 and 2015-046 (Appeal) pursuant to Education Code section 41344, subdivision (d), instituting the Appeal before the Education Audit Appeals Panel (EAAP).
  - F. Finance intervened pursuant to Education Code section 41344.1, subdivision (b).
- G. To avoid the cost and uncertainty of litigation, the Parties agree to completely resolve this dispute on the terms and conditions described below.

## **AGREEMENT**

For the purpose of completely settling and resolving the appeal of Audit Findings 2015-033, 2015-045, and 2015-046, the Parties agree:

1.	Appellant shall repay in full satisfaction of Audit Findings 2015-033, 2015-045, and
	2015-046 the sum total of \$415,358. The total amount of the repayment shall be
	withheld from Appellant's future principal apportionments in equal installments over a
	period of eight (8) years, with no interest, commencing with Appellant's 2020-21 First
	Principal Apportionment (P-1) following the EAAP's approval and adoption of this
	stipulated agreement.

- 2. The La Tijera Charter School shall repay in full satisfaction its portion of Audit Finding 2015-046 the sum total of \$15,910. The total amount of the repayment shall be withheld from La Tijera Charter School's future principal apportionments in equal installments over a period of eight (8) years, with no interest, commencing with La Tijera Charter School's 2020-21 P-1 following the EAAP's approval and adoption of this stipulated agreement.
- 3. For Audit Finding 2015-033, Appellant shall report to the Department of Education revised disallowed P-2 ADA of 3.61 and revised disallowed Annual ADA of 3.62. For Audit Finding 2015-046, the Appellant shall report to the Department of Education revised disallowed UPC of 483 and revised disallowed UPC of 21 for La Tijera Charter School. The Appellant shall submit the revisions required in this paragraph within 30 days of EAAP approving and adopting this stipulated agreement.
- 4. This stipulated agreement is subject to and conditioned upon approval and adoption by EAAP, pursuant to Education Code section 41344.1, subdivision (b).
- This stipulated agreement may be executed in counterparts, each of which shall
  constitute an original. Facsimile and pdf signatures by the Parties and/or their
  designated representatives are deemed the equivalent of original signatures.
- 6. The Parties shall be responsible for their own attorneys' fees and costs.
- This agreement does not reflect subsequent year funding effects that may result from reporting disallowed ADA and UPC pursuant to paragraph 3.

1 2	Dated: 1/7/2020	INGLEWOOD UNIFIED SCHOOL
3		DISTRICT  By Wile A Swift of DR. ERIKA F. TORRES, ED.D.,  County Administrator for Inglewood  Unified School District
5		DETECTION OF THE ACTUAL VIOLE
6	Dated:	
7 8		By: JEFF BELL Program Budget Manager Department of Finance
9		Department of Finance
10		
11	Dated:	OFFICE OF THE STATE CONTROLLER
12 13		By: SCOTT MERRILL Governor for Hon Potty, Voc
ĺ		Counsel for Hon. Betty Yee State Controller
14	ADDROVED AGEN FORM ON	$\sigma$
15	APPROVED AS TO FORM ONLY	
16 17	Dated:	XAVIER BECERRA Attorncy General of California Jennifer M. Kim Supervising Deputy Attorney General
18		By:
19 20		BENJAMIN G. DIEHL Deputy Attorney General Attorneys for Department of Finance
21		,,
22	Dated:	Ву:
23	Ducu.	BENJAMIN GEVERCER Olson Hagel & Fishburn, LLP
24		Attorneys for Inglewood Unified School District
25		
26		
27		
28		
		4
		STIPULATION AND SETTLEMENT AGREEMENT (EAAP Case No. 17-17)

1		
1	Dated:	INGLEWOOD UNIFIED SCHOOL DISTRICT
3		By:
5		Onned School District
6	Dated: 16 DEC 19	DEPARTMENT OF FINANCE
7		By: JEFF BELL
8		Program Budget Manager Department of Finance
9	8	
10		
11	Dated:	OFFICE OF THE STATE CONTROLLER
12	5	By: SCOTT MERRILL
13		Counsel for Hon. Betty Yee State Controller
14		State Controller
15	APPROVED AS TO FORM ONLY:	
16	Dated:	XAVIER BECERRA
17 18		Attorney General of California Jennifer M. Kim Supervising Deputy Attorney General
19		Ву:
20		By: BENJAMIN G. DIEHL Deputy Attorney General
21		Attorneys for Department of Finance
22	Dated:	Dyn
23	Dateu.	By:BENJAMIN GEVERCER Olson Hagel & Fishburn, LLP
24		Attorneys for Inglewood Unified School District
25		District
26		
27		
28		•
	4	

2	Dated:	INGLEWOOD UNIFIED SCHOOL DISTRICT
3		Ву:
4	,	DR. ERIKA F. TORRES, ED.D., County Administrator for Inglewood Unified School District
5		Unified School District
6	Dated:	DEPARTMENT OF FINANCE
7		By:
8		JÉFF BELL Program Budget Manager Department of Finance
9		Department of Finance
10	9	
11	Dated: 12/20/19	OFFICE OF THE STATE CONTROLLER
12	,	Ву:
13		SCOTT MERRILL Counsel for Hon. Betty Yee State Controller
14	Λ.	State Controller
15	APPROVED AS TO FORM ONLY:	
16	Dated: 1/13/2020	XAVIER BECERRA
17	1	Attorney General of California Jennifer M. Kim
18		Supervising Deputy Attorney General
19		By: S DIEHL
20		Deputy Attorney General Attorneys for Department of Finance
21		
22	Dated:	Ву:
23		BENJAMIN GEVERCER Olson Hagel & Fishburn, LLP
24		Attorneys for Inglewood Unified School District
25		·
6		
7		
8		
		1

1		
1	Dated:	INGLEWOOD UNIFIED SCHOOL DISTRICT
3	**	Ву:
4		DR. ERIKA F. TORRES, ED.D., County Administrator for Inglewood Unified School District
5		
6	Dated:	DEPARTMENT OF FINANCE
7		By: JEFF BELL
8	ij	Program Budget Manager Department of Finance
10		
11	Dated:	OFFICE OF THE STATE CONTROLLER
12		By: SCOTT MERRILL
13		Counsel for Hon. Betty Yee State Controller
14		
15	APPROVED AS TO FORM ONLY:	
16	Dated:	XAVIER BECERRA Attorney General of California
17 18		Jennifer M. Kim Supervising Deputy Attorney General
19		By: BENJAMIN G. DIEHL
20		Deputy Attorney General Attorneys for Department of Finance
21	v /. /	0 01
22	Dated: //6/2020	By:
23		BENJAMIN GEVERCER Olson Hagel & Fishburn, LLP
24		Attorneys for Inglewood Unified School District Rencho Bb
25		REMOVIO PO
26		
27		
28		
		4